

Nashville Metropolitan Transit Authority

Board of Directors Meeting

December 19, 2024

- I. **Call to Order:** The regular meeting of the Nashville Metropolitan Transit Authority (Nashville MTA) Board of Directors was held at the Tennessee Bankers Association located at 211 Athens Way, Nashville, TN 37228, on Thursday, December 19, 2024.

II. **Roll Call of Persons Present:**

Gail Carr Williams, Chair

Janet Miller, Vice Chair

Jessica Dauphin, Member

Aron Thompson, Member

Kathryn Sasser, Member

Margaret Behm, Board Secretary

Stephen Bland CEO

Monica Howse, Sr. Exec. Asst. & Bd. Liaison

Debbie Frank, Deputy CEO of Growth & Dev

Amanda Vandegrift, Deputy CEO of Finance & Admin

Patrick Hester, Deputy COO of Assets & Infrastructure

A quorum was established, and Board Chair Carr Williams called the meeting to order at 2:36 p.m.

- III. **Approval of Minutes:** Vice Chair Miller made a motion to approve the November 21 Nashville MTA Board minutes. Ms. Dauphin seconded the motion, and the Board unanimously approved the minutes.

- IV. **Public Comments:** Chair Carr Williams opened the floor for public comments. The public was reminded that comments were limited to two minutes. The following members of the public gave public remarks:

- Darius Knight

- V. **Informational Items:** The following items were presented for the board members' review:

- **Monthly Financial Report Compared to Budget** – Ms. Dauphin thanked Ms. Vandergrift for thorough financial reports.
- **Monthly Operating Statistics** – No questions
- **Upcoming Procurement Projects List** – Ms. Dauphin expressed her satisfaction with seeing RFPs being released, particularly with the CHYM Transportation Improvement program.

VI. **Consent Agenda Items:**

- a. **Adoption of Free Fare Services for New Year's Eve, December 31, 2024 (M-A-24-037):**

Ms. Dauphin motioned to approve the Consent Agenda action item; Mr. Thompson seconded the motion, and the Board unanimously approved the Consent Agenda action item.

- VII. **Operations & Finance Committee Report:** Committee Chair Jessica Dauphin presented the following items for discussion and action:

- a. **FY2024 Annual Audit Report (M-A-24-038):** Deputy CEO of Finance & Administration introduced Ms. Erica Saeger representing the Authority's outside auditors Crosslin Associates, who presented the Annual Audit Report for action:

Ms. Sager reported that The Comprehensive Annual Financial Report for the fiscal year ended June 30, 2024 is being issued with a “clean” opinion from our auditors and that no material internal control weaknesses or deficiencies were encountered during the audit. Two findings were identified with the following corrective actions:

- **2024-001 – Internal Controls over Cash Disbursements for Allowable Costs:** The auditors identified an instance in which a payment was issued without the requisite number of approval signatures. In September 2024, two additional reviews were added for all checks issued for greater than the required threshold to ensure that each check issue includes two authorized signatures.
- **2024-002 – Procurement and Special Suspension and DeBarment:** By June 30, 2025, all vendors will be required to complete certification by (1) registering with www.SAM.gov and providing a copy of the active non-debarment status or (2) signing and submitting a Debarment and Suspension Certification form. Additionally, an annual update process will be completed for all active contracts to recertify compliance with this federal regulation. All submitted documentation will be maintained on the agency’s shared drive.

There was general discussion regarding the audit and of the audit findings specifically. The Board inquired about the implications of the lack of suspension and debarment documentation. Mr. Bland noted that, while this was an important control that needs to be corrected, the contracts reviewed by the auditors did not involve contractors who had actually been debarred or suspended from doing business by the Federal government; the issue was one of a lack of documentation.

Ms. Miller thanked the staff for a good report and for addressing any findings responsibly.

Ms. Dauphin noted that having a clean audit was reason enough to celebrate.

Staff requested that the Board accept the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2024.

The Operation and Finance Committee motioned to approve the FY2024 Annual Audit Report action item; Ms. Miller seconded the motion, and the Board unanimously approved the FY2023-24 Independent Auditors report.

- b. **Nestor Backflow Contract Extension (M-A-24-039):** Deputy COO of Assets & Infrastructure Patrick Hester provided the following item for action:

The Nestor Backflow System construction contract (2023132) was awarded to Koorsen Fire & Security in December 2023 for fire and plumbing system repairs. The initial contract budget was \$299,720, with a 20% contingency (\$59,944) for unforeseen issues, bringing the total budget to \$359,664.

Several change orders were issued to address unexpected challenges:

Change Orders 1, 2, and 3 (June 2024) addressed fuel line operations and subsurface conditions, costing \$47,739, leaving a remaining contingency of \$12,185. Change Orders 4, 5, and 6 (August 2024) covered subsurface electrical improvements, material changes, and updated Metro regulations, totaling \$47,285, which caused a budget overrun of \$35,100 (9.7%).

Despite the cost increase, the changes were necessary for successful completion, compliance with regulations, and maintaining project safety. The final construction cost was \$394,744.

Staff requested the Board authorize the Chief Executive Officer to approve a contract price extension of \$35,000 for a total project budget of \$394,462.50 for the Nestor Backflow Project. Funding for this project is provided in the agency capital plan under the facility state of good repair program utilizing Federal 5307 funds with matching state and local funds. Additionally, a policy for managing such situations in the future was discussed.

A general discussion was held regarding change orders and the establishment of policies and procedures for handling similar situations in the future.

Mr. Thompson asked how approving the current contract extension would impact the approval granted the previous month. CEO Bland explained that the original contract amount would have exceeded the expenditure limit, and once the total surpasses the board's threshold, any change order causing an overage must be brought back to the board for approval of the additional amount.

The Operations & Finance Committee made a motion to approve the Nestor Backflow Contract Extension action item. Ms. Hays Sasser seconded the motion, and the Board unanimously approved the minutes.

VIII. New Initiative & Community Engagement Committee Report: There were no NICE Committee items for discussion or action this month.

IX. CEO's Report: CEO Bland provided the following report:

1. Following the November 5 vote in Davidson County for improved mobility, we've been working closely with Mayor O'Connell's Office, NDOT, and Metro Planning to implement the improvements outlined in Choose How You Move. While the timing of the program remains uncertain due to a lawsuit filed by opponents questioning the program's legality, we are hopeful for a resolution before sales tax surcharge collections are scheduled to begin in February.
2. We do have clarity regarding one part of the capital plan. Last Tuesday, the Metropolitan Council approved Mayor O'Connell's proposed Capital Spending Plan for the year, which allocates \$527.17 million for various capital projects across the Metropolitan Government. The plan includes \$20.1 million for MTA to match State and Federal Capital Grants, in addition to funding for bus and van replacements.
3. WeGo is progressing with key initiatives connected to Choose How You Move and our Capital Plan. This week, we are issuing a request for information (RFI) from consultants to support the development of the Murfreesboro Pike All-Access Corridor. Thanks to Mayor Cooper's funding, we're able to begin this project before his term ends, and the RFI will help gather expert input for a comprehensive request for proposals to be advertised later this year. Additionally, we are soliciting capital project management firms to assist our engineering and planning teams with the expanded portfolio.
4. In another development related to the Murfreesboro Pike corridor, WeGo is excited to announce that we were selected as one of 34 national projects, and one of only two in Tennessee, to receive a Phase One SMART Grant from the U.S. Department of Transportation. The grant, totaling nearly \$2 million, will help improve service reliability along Murfreesboro Pike using advanced technologies such as Computer-Aided Dispatch, Automated Vehicle Location systems, and Artificial Intelligence. This collaborative effort involves NDOT, TDOT, Vanderbilt University, Penn State, and several private sector partners. Kudos to Deputy COO Dan Freudberg and Capitol Grants Administrator Billy Higgins for their successful grant application.
5. Ms. Billy Higgins and the team are also moving forward with another competitive grant awarded earlier this year. We've secured approximately \$1 million from the Build America Bureau of

USDOT to explore how we can utilize real estate assets for transit infrastructure and capitalize on transit-oriented development opportunities. This project is set to begin in the first quarter of 2025.

6. Several team members traveled to Cincinnati last month to present at the American Public Transportation Association's Transit Ballot Initiative Conference. This biennial event serves as a platform for cities considering or undertaking transit ballot initiatives. Nashville's journey, especially the turnaround from 2018 to 2024, was a key highlight. CEO Bland extended thanks to Jessica Dauphin, Michael Briggs, Jeff Morris, and Amanda for their participation in various sessions.
7. Last month, WeGo met with NDOT, Metro Planning, and our consultants from Kimley-Horn and Nelson Nygaard to review the ongoing update to the nMotion Strategic Service Plan. Thus far, we've completed assessments of current conditions and past plans. As the project moves forward, the Board will be presented with specific recommendations later this year.
8. CEO Bland announced a key staff appointment: Ms. Madeline Roberson recently joined WeGo as the new Transit Planning Analyst. Madeline most recently worked with the Network for Sustainable Solutions in Nashville, playing a pivotal role in launching WeGo Link. She also contributed by working on the Nashville Moves Campaign. Welcome aboard, Madeline!
9. The accolades for the Dr. Ernest Rip Patton Jr. North Nashville Transit Center continue. We are proud to share that the project has been named Project of the Year for 2024 by The American Society of Highway Engineers Middle Tennessee Section. The design team will receive this award at their January meeting. Congratulations to Kia, the design team, and everyone involved for this well-deserved recognition.
10. On the RTA side: WeGo is making progress on the Donelson Station transit center and joint development projects. Debbie is leading efforts on these and the Antioch project. Although we are still in the Federal environmental review phase before design and land acquisition can begin, we continue to make strides in all areas.

X. Chair's Report: Board Chair Carr Williams presented the following report:

Chair Carr Williams agreed with everything CEO Bland said. She highlighted the many exciting developments happening and noted the addition of new team members, including welcoming Ms. Madeline Roberson, WeGo's new Transit Planning Analyst.

Chair Carr Williams acknowledged former CFO Ed Oliphant and Controller Shelly McElhaney for their years of dedicated service and successful audits. She also expressed gratitude to CEO Bland for his leadership, Board Secretary Margaret Behm for her guidance, and all board members for their hard work throughout the year. Additionally, she thanked Ms. Dauphin for representing WeGo at the APTA Conference.

In conclusion, Chair Carr Williams wished everyone a Merry Christmas and said that she looked forward to seeing everyone in the new year.

XI. Other Business: There was no further business to come before this Board.

XII. Adjournment: With no further business, Vice Chair Miller moved to adjourn the meeting, which adjourned at 3:32 p.m.

Attested:

Gail Carr Williams
Chair

Margaret L. Behm
Secretary